

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

**A. GENERAL INFORMATION**

1. Date

01/06/16

2. Department

California Pollution Control Financing Authority (CPCFA)

3. Organizational Placement (Division/Branch/Office Name)

Deputy Executive Director

4. CEA Position Title

Deputy Executive Director

5. Summary of proposed position description and how it relates to the program's mission or purpose.  
(2-3 sentences)

Under the direction of the Executive Directors of the CPCFA, California Industrial Development Financing Advisory Commission (CIDFAC), and California Urban Waterfront Area Restoration Financing Authority (CUWARFA), as well as the broad direction of the State Treasurer as Chairman of these three financing authorities, the Deputy Executive Director provides policy, program, administrative, and technical direction for all programs. Also acts as the Executive Director in the Director's absence or when the Director positions are vacant. The incumbent supervises and oversees a professional management team, including Treasury Program Managers and Associate Treasury Program Officers, responsible for carrying out all day-to-day operations of the financing authorities.

6. Reports to: (Class Title/Level)

Executive Secretary (Exempt) (Director)

7. Relationship with Department Director (Select one)

- ☒ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- ☐ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

☐ 1st ☒ 2nd ☐ 3rd ☐ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

## B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Serves on the Executive Management Teams of the financing authorities, especially CPCFA, making policy determinations in concert with the Board, Chairman, Executive Director, and strategic plans of the respective financing authorities. Closely following the lead of the Executive Directors, develops and implements the objectives of the Executive Management Teams. In the absence of any of the Executive Directors, serves as Acting Executive Director and advises the Chairman on all programs within the jurisdiction of the financing authorities. Carries out delegated authority as assigned by the Executive Directors. Participates in the decision-making and problem-solving of the agencies' most sensitive and complex policy challenges.

Responsible for developing, implementing, and managing the program and administrative responsibilities of the financing authorities at the highest level, including but not limited to: making policy decisions consistent with the statutory and policy goals of the financing authorities and the State Treasurer's Office; creating and establishing policies and procedures to ensure all federal and state program, fiscal, compliance, and reporting responsibilities are met; managing program and administrative budgets to ensure annual fiscal allocations are adhered to; following federal and state administrative, accounting, and contracting policies and guidelines; overseeing the effective supply of consulting and support services retained under inter-agency agreements and outside contracts; developing and implementing special projects necessary to support services provided by financing authorities; and ensuring operational consistency and effectiveness across programs.

On and on-going basis, is responsible for: overseeing all bond and alternative financing programs offered to California business, consumers, and lenders by the financing authorities; establishing policies and procedures for new programs; developing, implementing, and ensuring compliance with all necessary monitoring and internal controls; developing and maintaining databases and other documentation necessary for the transparency and accountability of the program administration; evaluating program performance and reporting to the State Treasurer, the Legislature, and other federal and state agencies on programs administered by the financing authorities.

Responsible for maintaining the highest levels of transparency, accountability, effectiveness, and efficiency in program and administrative functions.

Responsible for ensuring the Vision, Mission, Goals, and Objectives of the financing authorities are carried out.

Supervises, manages, and oversees the day-to-day operations for the financing authorities management and staff; provides mentor-ship to staff; ensures that all staff have received the appropriate training to properly carry out their duties; and ensures all State Personnel Policies and Procedures are met.

**B. SUMMARY OF REQUEST (continued)**

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☒ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: As the chief of operations second only to the Executive Directors of the three financing authorities chaired by the State Treasurer, the Deputy Executive Director oversees and manages all program and administrative functions necessary to carry out the financing authorities' statutory programs, including those that the statutes authorize to be carried out on behalf of other agencies under agreements with federal and state departments. The policies and guidelines developed and implemented by this position directly impact whether CPCFA and the other financing authorities achieve their program outcomes and remain in compliance with all state and federal requirements. The policy and oversight responsibilities of this position are necessary to ensure that the financing authorities' statutory responsibilities are met.

## **B. SUMMARY OF REQUEST (continued)**

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

In May of 2006, CPCFA requested to establish a new Career Executive Assignment (CEA) position and was granted approval. At the time of the approval CPCFA was the principal financing authority to be served by the CEA position, and committed to paying for 100 percent of the salary and benefits for the CEA position; however, the position also was designed to serve as the Deputy Executive Director or Acting Executive Director of three other fledgling or nearly-dormant agencies: California Industrial Development Financing Advisory Commission [CIDFAC], California Alternative Energy and Advanced Transportation Financing Authority [CAEATFA] and California Urban Waterfront Area Restoration Financing Authority [CUWARFA].

In 2006, both CAEATFA and CUWARFA were both dormant agencies and the only responsibilities were occasional reporting requirements on any outstanding bonds and authorization of very occasional administrative expenditures. Neither agency had any staff appointed. CIDFAC had an existing Executive Director, and the CEA position provided any needed assistance in the Executive Director's absence.

In 2010, the potential for CAEATFA to attract new programs began to grow; CAEATFA hired an Executive Director to lead that growth, and the CEA position assisted with certain program development and oversight tasks. The growth has rapidly accelerated over the last 3-4 years. Currently, CAEATFA has a staff of a 16 permanent and limited term managers and staff to implement a variety of financing programs for the alternative energy and advanced transportation industry.

The CEA position has performed the duties as Acting Executive Director of CIDFAC (until the incumbent retired in December 2014); any CPCFA business or administrative transactions are carried out by CPCFA management and staff under the general direction of the State Treasurer as the Chairman of the Board of CIDFAC.

Since 2006, CPCFA has experienced significant growth in new and existing programs, and administrative responsibilities. Then, CPCFA administered its Bond Program, which has remained at a consistent average volume of approximately \$340 million in conduit issuing annually. The California Capitol Access Program (CalCAP) was approving approximately 75-100 loans per year from CPCFA's self-funded Small Business Assistance Fund. And the CALReUSE program was monitoring the expenditures under grants and loans issued from a self-funded Assessment Program totaling \$4.9 million.

In contrast, now in 2015, in addition to the consistently-performing Bond Program, CPCFA is approving approximately 2,000-3,000 loans per year through various CalCAP programs funded from other federal and state government agencies, including the U.S. Treasury, the Air Resources Board, the California Energy Commission, and CalRecycle. CPCFA is also managing \$60 million in grants for remediation of brownfields, with funding from Proposition 1C—the Housing and Emergency Shelter Trust Fund Act of 2006. To deliver effective service and ensure compliance with all program rules for these new and ongoing programs, the staff of CPCFA has more than doubled to 31 full-time equivalents.

The current request for reorganizing the duties of the CEA position is to reflect the growth of programs and administrative responsibilities within CPCFA. To successfully meet the administrative and fiscal requirements under multiple contracts with federal and state funding agencies, plus the increasing oversight of the Internal Revenue Service and the Municipal Securities Rulemaking Board for tax-exempt conduit bond issuances, the policy and oversight duties and responsibilities of CPCFA's Executive Management Team have expanded such that CPCFA requires the CEA position to serve as a fully dedicated chief of operations. New and expanded data management systems are necessary to ensure CPCFA's prudent oversight of public funds, and the CEA will be responsible to ensure that these efforts incorporate the governance rules necessary for each program, are integrated into the business processes of the stakeholders to the program, and efficiently utilizes available resources in the development and administration of the systems. Under the request for reorganization, the CEA position would also be able to effectively accomplish the duties of Deputy Executive Director for both CIDFAC and CUWARFA, given the low current and anticipated business volume for those additional financing authorities. However, in recognition that CAEATFA now has a permanent management team including an Executive Director and several Treasury Program Managers, it is prudent to redirect the CEA position to fully supporting CPCFA's executive management needs.

### **C. ROLE IN POLICY INFLUENCE**

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

Together with the Executive Director and in consultation with the Executive Office of the State Treasurer, the CEA will be responsible for developing and implementing new information technology projects to substantially transform and automate the loan enrollment and claim application business process and data management of CPCFA's credit enhancement programs. The significantly increased number of discrete programs, amount of funding, number of participating lenders and volume of loan enrollments demands this transformation, and the CEA will oversee the effort, having primary responsibility to ensure that: 1) current program policies, evaluation objectives and compliance requirements are built-in; 2) the systems are sufficiently flexible that they can accommodate future program improvements or new programs; and 3) that the systems readily support the Authority's and Treasurer's need for accountability and transparency of public funding and data. The statewide impact is significant, to stay abreast of trends toward on-line financing and to accommodate the ability of lenders to participate more efficiently. Offering this functionality, which is standard in the private lending sector, will increase CPCFA's ability to reach small business borrowers in all 58 counties.

Together with the Executive Director and in consultation with the Executive Office of the State Treasurer, the CEA will be responsible for facilitating a stakeholder process, including the Board, the Governor's Office of Business and Economic Development, the Legislature, and the financing and the business community, to review and improve the policy and procedures applied by the state to issue Industrial Development Bonds through CIDFAC. There is strong interest among these stakeholders to examine the 25-year old state-level policies, as well as the evaluation criteria, as applied to Industrial Development Bonds in California, and to leverage potential eligibility modifications as proposed under national tax reform initiatives. The potential impact is to greatly expand the availability of low-cost financing to California's expanding manufacturing, biotech and production sectors.

Together with the Executive Director, the CEA will be responsible for developing and implementing business procedures and accounting principles to more effectively manage and report the public funds under CPCFA's management and oversight, by leveraging improved fund management tools within FI \$CAL, utilizing customized off-the-shelf accounting software, and establishing automated reporting from participating lenders. Currently, CPCFA manages over 150+ separate program, administrative and interest accounts within the state fund, at CPCFA's outside trustee and at the participating lenders, and the reporting and reconciliation is a manual process carried out by CPCFA staff. Additionally, the current state accounting system (CALSTARS) does not provide the data CPCFA needs to effectively manage its programs and costs, and CPCFA analysts collect and evaluate data on a monthly basis to accomplish the necessary level of accountability. The CEA will ensure that these accounting functions are implemented, accurate and improved as much as possible, and will oversee the transition to FI\$CAL and new automated data systems. The desired statewide impact is that CPCFA would be able to have its fiscal and accounting data inputted and validated in real-time, as compared with the process now which takes at a minimum 45 days.

**C. ROLE IN POLICY INFLUENCE (continued)**

13. What is the CEA position's scope and nature of decision-making authority?

The Boards of CPCFA, CIDFAC and CUWARFA are the ultimate authority for all substantive business decisions for each financing authority, but the Executive Director and CEA have substantial delegated authority to make judgments approved by the Authority. The CEA will serve as the chief of operations and will have substantial authority on a day-to-day basis to respond to questions and offer policy guidance requested by staff.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CEA position will be working on developing and implementing new policy in regards to the development and implementation of new and expanded programs, potentially in collaboration with other state or federal agencies. The position will also be called on to interpret current policies and developing policies, and to ensure that CPCFA's and CIDFAC's regulations adequately address the administration of all programs.